

# United States Senate

WASHINGTON, DC 20510

May 6, 2002

The Honorable Ernest Hollings  
Chairman, Subcommittee on Commerce, Justice,  
State, and the Judiciary  
U.S. Senate Committee on Appropriations  
146A United States Capitol  
Washington, DC 20510

The Honorable Judd Gregg  
Ranking Member, Subcommittee on Commerce, Justice,  
State, and the Judiciary  
U.S. Senate Committee on Appropriations  
146A United States Capitol  
Washington, DC 20510

Dear Chairman Hollings and Ranking Member Gregg:

We are writing to express our strong support for the Small Business Innovation Research (SBIR) Rural Outreach Program and the Federal and State Technology (FAST) Partnership Program. We believe these two programs should be fully funded at their authorized funding levels in the Commerce, Justice, State, and the Judiciary Appropriations for Fiscal Year (FY) 2003.

**1. \$2 million for the Small Business Innovation Research (SBIR) Rural Outreach Program** - In 1997, the Congress established the SBIR Rural Outreach Program to increase the participation of small business concerns located in the 25 states that receive the fewest SBIR awards and is limited to funding activities to encourage small firms in those states to participate in the SBIR Program. Since the inception of the program, rural State businesses have achieved impressive gains in SBIR competition. SBIR awards have been vital in nurturing and growing technology-based small businesses that are key assets today. The SBIR Rural Outreach Program is key to continuing and building on this success by small businesses in rural states, especially our states of Idaho, Maine, Missouri, Montana, and Wyoming. The program is also an important adjunct to the Federal and State Technology (FAST) Partnership Program.

Although the SBIR Rural Outreach Program was funded at \$500,000 in FY 2002, and the Administration has requested \$500,000 for FY 2003, we strongly recommend the SBIR Rural Outreach Program be funded at its authorized level of \$2 million. The program is critical in encouraging greater participation by the smaller states.

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**2. \$10 million for the Federal and State Technology (FAST) Partnership Program** - Established by the Small Business Innovation Research (SBIR) Program Reauthorization Act of 2000, the FAST program is a competitive matching grant program to encourage states to create an atmosphere conducive to the development of high technology small businesses, including the establishment of coalitions of university and private sector organizations. While the program is administered by the U.S. Small Business Administration, each agency with an SBIR program participates in the determination of State programs that should be funded. The FAST program is intended to support the SBIR program by marshaling more and higher quality research and development proposals to SBIR agencies.

For FY 2002, \$3 million was appropriated for the FAST Program. Fifty states, the District of Columbia, and four territories are eligible for funds under the program. While funding under the FAST program is to be provided on a competitive basis and the program does not require that each State receives funds, if each State or jurisdiction submits an eligible proposal and receives funds, the average grant amount would be less than \$55,000. This amount is insufficient to provide an effective incentive to states to encourage the development of small, high technology businesses. Therefore, we recommend that the FAST program be funded at its authorized level of \$10 million.

Thank you for your immediate attention to and consideration of these funding requests in the Commerce, Justice, State, and the Judiciary Appropriations for Fiscal Year (FY) 2003. .

Sincerely,

  
  
  
  
